US, BRAZIL PROBE $208 MILLION EMBRAER DEAL FOR CORRUPTION UNDER UPA REGIME

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After the VVIP chopper scam which rocked the Parliament, the UPA might be looking at another controversy over an alleged defence deal.

According to the Times of India, Brazilian aircraft manufacturer Embraer which made a $208 million deal deal with UPA government in 2008 for three EMB-145 jets allegedly paid commissions to UK-based defence agent. As per Indian laws, such unauthorised agents or middlemen are banned under the Indian defence procurement system.

Three EMB-145 aircraft have been equipped with indigenous radars in a Rs 2,520 crore DRDO project to be used for IAF as AEW&C (airborne early-warning and control systems) air craft. The first such 'modified' aircraft was delivered to DRDO in 2011; two more followed later.

DRDO chief S Christopher has not commented on the report yet, but he was the AEW&C programme director and head of the Centre for Airborne Systems (CABS) at that time. The BJP-led government made him DRDO head in 2015.

Brazilian newspaper 'Folha de Sao Paulo' reported that US justice department is investigating the 2008 Embraer jet deal with India since 2010 after a contract with the Dominican Republic raised eyebrows. A former Dominican Republic defence minister and three others were apprehended for

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taking $3.5 million bribe from Embraer.

Three Embraer officials are being probed in the 2008 Indian deal. The department is now probing deals with seven other nations, including Saudi Arabia. Brazil too is probing the case.

Details on the case came out after an Embraer employee with over 30 years of experience made a plea-bargain agreement with the Brazilian federal public prosecutor's office. The identity of the employee is yet to be revealed. The details and magnitude of the alleged corruption is yet to surface.

An Embraer official told *TOI*, "It's all in the realm of speculation unless they reveal the identity of the agent in the UK and establish that money was paid in bribes. India is an important market for us and we would like to continue to do business there. Americans are our competitors in certain sectors in India."

Embraer, a Sao Paulo-based company, is one of the largest manufacturers of commercial, private and military jets in the world. It has significant presence in the country with 28 aircraft of different market segments, including 21 executive jets across six different models. It has delivered 35% of the total executive jets in India since last five years.

The 2008 Embraer deal was an important step in defence cooperation between India and Brazil.

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